Nos. 22,163 and 22,163-A

United States Court of Appeals

For the Ninth Circuit

JOHN BOYCE, an individual, and FMC
CORPORATION, a corporation,
Appellants and Cross-Appellees,

vs.

EARL R. ANDERSON, an individual, and
FILPER CORPORATION, a corporation,
Appellees and Cross-Appellants.

PETITION FOR REHEARING

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Table of Authorities Cited

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PETITION FOR REHEARING

Appellees and Cross-Appellants (Defendants below) respectfully petition the Honorable Court for a rehearing for the purpose of correcting that portion of its decision of December 16, 1968, which reverses and remands the case to the District Court for trial of the "priority" issue, and for review of the "public use" issue.

The primary purpose of 35 U.S.C. §146 is to determine, by civil action, whether the plaintiff is entitled to a patent. Of the many issues within that basic purpose, the two that are relevant here are:

1. Whether Plaintiffs have "priority" of invention under §102(g), and

2. Whether Plaintiffs placed their invention in public use or on sale in violation of §102(b).

Determination of *either* issue adverse to Plaintiffs is determinative of the basic issue, for Plaintiffs are not entitled to a patent unless they *both* have priority *and* have not placed their invention in public use or on sale. The Court not only "may" but must inquire into the issues, other than priority, bearing on whether the Plaintiff is entitled to a patent [*Hill v. Wooster,* 132 U.S. 693, 698 (1889)] and public use is one of such other issues.

The Trial Court below made an order of proof (not an order for a separate trial), deciding to try the second, public use, issue first because it was simpler and considerably less extravagant of judicial resources and the parties' time and expense. In so proceeding, the Trial Court followed approved practice, as in a typical patent infringement suit under 35 U.S.C. §281, where the basic purpose is to determine, by civil action, whether the defendant has infringed a valid claim of the plaintiff's patent. In such actions, there are often two issues:

1. Whether the defendant is infringing, and
2. Whether the plaintiff's patent is valid.

In view of the language of §281 ("A patentee shall have remedy by civil action for *infringement* of his patent."), some courts prefer to try the infringement issue first on the theory that that is the primary purpose of the section. This Court, however, has taken the prevailing view that it is within the trial court's sound discretion to terminate the trial after determination

of the validity (public use) issue. *Cataphote Corp. v. DeSoto Chemical Coatings, Inc.,* 356 F.2d 24, 27 (note 5) (9th Cir., 1966). So here, the question of which issue should be tried first would seem to be peculiarly within the Trial Court's discretion, which was exercised in favor of trying the public use issue in advance of the priority issue.

In *Sanford v. Kepner,* 344 U.S. 13, 73 S. Ct. 75 (1952), the plaintiff-challenger had been denied a patent by the Patent Office and such refusal had been affirmed by the trial and appellate courts. Here, Plaintiffs Boyce and FMC are in the same position, the only difference being that the Patent Office and Trial Court refusals of a patent were not based on the same statutory provision.

To the plaintiff in *Sanford* (Plaintiffs here) who sought to go further and to contest the validity of the patent issued to the defendant, the Supreme Court said: No, "he has obtained the full remedy the statute gives him." 344 U.S. at 15. If this Court is under the impression that the priority issue involves a determination of the "validity" of defendants' patent, then its ruling is directly contrary to *Sanford,* which holds that one who is refused a patent may *not* proceed to challenge the validity of the other contestant's patent, for the reason that:

> "It is unlikely that this equity proceeding would develop a full investigation of validity. There would be no attack on the patent comparable to that of an infringement action. . . . There is no real issue of invention between the parties here and we see no reason to read into the statute

> a district court's compulsory duty to adjudicate validity." 344 U.S. at 15-16.

A paraphrase of *Cleveland Trust Co. v. Berry,* 99 F. 2d 517, 521 (6 Cir., 1938) is also directly applicable:

> "Appellant's principal attack is directed at the validity of the Berry (Anderson) patent. But neither that question nor the alleged inoperative character of the Berry device is involved in this proceeding. Christie v. Seybold, 6 Cir., 55 F. 69. The question is whether Jardine (Boyce) is entitled, according to law, to receive a patent for his invention as specified in his claim, or for any part thereof."

Since there has been no claim by Defendants that their patent is being infringed, there is no "actual controversy" with respect to its validity that would entitle Plaintiffs to raise that question. *Treemond Co. v. Schering Corp.,* 122 F.2d 702, 705 (3 Cir., 1941).

To remand this case to the District Court for a prolonged trial on the priority issue which can only result in:

(a) reaching the present result that Plaintiff is not entitled to a patent (if the Patent Office is upheld that Anderson has priority); or

(b) returning the case here on the same public use issue now before the Court (if Boyce is determined to have priority);

is respectfully submitted to be a pure waste of the courts' and litigants' time and energy and inimical to the efficient administration of justice.

Rehearing and review of the public use issue is thus respectfully requested.

Dated, San Francisco, California,
December 26, 1968.

Respectfully submitted,
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